



Commitment to CSR throughout the Supply Chain

Building Partnerships with Suppliers

Olympus purchases materials and services from suppliers around the world. As part of its efforts to contribute to the creation of a sustainable society, Olympus works closely with suppliers, to improve its corporate value and that of its suppliers, by ensuring compliance with laws and regulations, respect for human rights and the environment, and that the entire supply chain operates on a fair and open basis.

A briefing for suppliers at the "2008 Partners Meeting" in Shenzhen, China

The Olympus Group's CSR-Based Procurement Policy

CSR-Based Procurement Background and Policy

■ Commitment to Regulatory Compliance and Respect for Human Rights, Labor Standards and the Environment

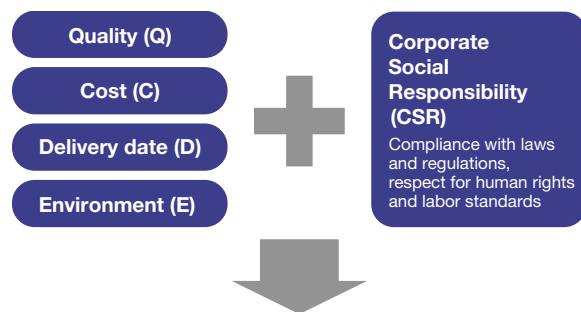
Olympus currently sources supplies and parts from approximately 1,300 suppliers in Japan and overseas, for use in a wide range of cameras, medical equipment and other products. As a manufacturer, Olympus works with its suppliers to ensure the sustainability of its production activities. This requires compliance with laws and regulations, respect for the environment, human rights and labor standards, and a commitment to the prevention of corruption throughout the entire supply chain.

In October 2000, Olympus adopted the Green Procurement Guidelines, which introduce the environment (E) as a production priority alongside quality (Q), cost (C) and delivery date (D). This was followed in November 2005 by the introduction of the Olympus Group Procurement Policy, the aim of which is to ensure that Olympus deals with companies that are committed to compliance with laws and regulations, respect for human rights and labor standards and the prevention of corruption.

Under this policy, we inform suppliers about the Olympus Group's basic stance on the procurement of materials

and services whilst seeking their cooperation. Our aim is to expand our CSR commitment by implementing CSR activities in partnership with our suppliers.

Old procurement standards and policy



Olympus Group Procurement Policy (Summary)

1. Compliance with laws, regulations and social standards
2. Respect for the environment
3. Fair and equitable dealing
4. Supplier selection guidelines
5. Reinforcement of partnership with suppliers
6. Prohibition on acceptance of personal benefits

Implementing CSR-Based Procurement—Key Initiatives

Promoting CSR-Based Procurement

■ Supplier Briefings

To build good relationships with suppliers in this challenging business environment, we need to ensure a mutual understanding of quality, price, delivery dates, the environment and CSR. Olympus business divisions, plants and affiliated production companies in Japan and overseas hold regular briefings to inform suppliers about their business and production plans. Suppliers are then asked to cooperate in our efforts to improve quality, costs, delivery dates, environmental performance and CSR.

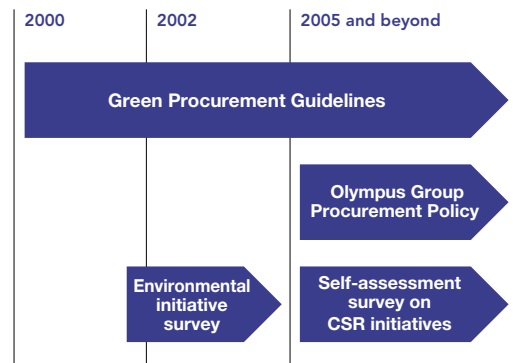
■ Self-Assessment Surveys of Suppliers

Since 2002, Olympus has conducted surveys to ascertain the progress made by its suppliers in relation to CSR initiatives. In November 2005, our earlier environmental initiatives surveys were expanded into CSR activities. In fiscal 2008 (the year ended March 2009), the items included in the survey and the number of companies covered were further expanded. As shown in the diagram on the right, we implemented a comprehensive survey that included basic corporate information, financial and management situations, CSR initiatives, business continuity plans, quality, costs, delivery dates and the environment. We established a dedicated website and contact points for this survey achieving a response rate of approximately 98.6% for suppliers in Japan.

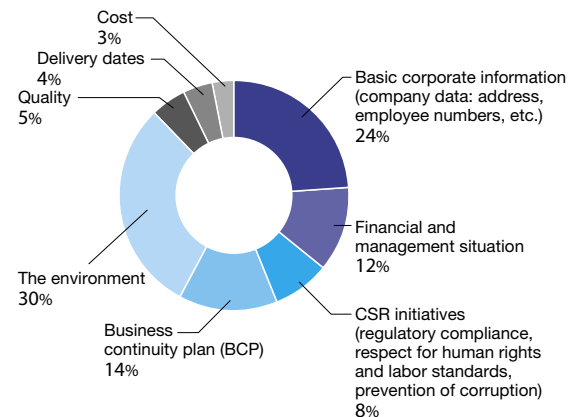
■ Membership of United Nations Global Compact (CSR-Based Procurement Section)

As a member of the CSR-Based Procurement Section of the United Nations Global Compact Japan Network (GC-JN), Olympus is working with other participating companies to develop CSR-based procurement assessment standards with the aim of promoting CSR-based procurement globally.

The Evolution of CSR-Based Procurement



Content of Survey of CSR Initiatives by Suppliers



A New Dimension in Manufacturing

The Future of CSR-Based Procurement

Global business conditions are very challenging at present. To achieve a high level of competitiveness in this environment, whilst also achieving high standards in terms of product quality, costs, delivery dates, the environment and CSR, we need to base our procurement processes on systems that support global collaboration with suppliers. As part of our efforts to achieve this goal, we plan to conduct regular information exchanges and local surveys with the cooperation and understanding of our suppliers during fiscal 2009. Other initiatives to support CSR-based procurement will include human resource development and the dynamic sharing of procurement information within the Olympus Group.

VOICE

Realizing our Management Philosophy through Procurement

Olympus aims to realize its "Social IN" management philosophy and make a continuing contribution to society through procurement activities based on specific values including:

- Co-creation** - the synergistic effect achieved by combining quality, knowledge, and skills;
- Competition** - implementation of competitive principles; and
- Fairness** - business transactions based on dialogue, openness and transparency.

Makoto Oishi
General Manager, Strategic Procurement Organizing Department,
Production Engineering Division

